

Q1

Quarterly Statement 2018

Content

1. Financial performance indicators	2
2. Business performance in the first quarter 2018	2
2.1 Overall view	2
2.2. Operating and economic performance in the Sports Segment in the first quarter 2018	3
2.2.1 Sports Segment	3
2.2.2 Others	5
2.3 Financial result	5
2.4 Taxes	5
2.5 Net liquidity and net debt	5
3. Risks and opportunities report	5
4. Outlook	6
4.1 Priorities	6
4.2 Financial targets	6
5. Events after the reporting period	7

Forward-looking statements

This document is a quarterly statement according to section 51a of the Stock Exchange Regulations of Frankfurt Stock Exchange.

This document contains forward-looking statements that are based on estimates and expectations of the Management Board. Words such as anticipate, intend, expect, can/could, plan, provided, further improvement, target is and similar expressions are intended to identify forward-looking statements.

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Although every effort has been made to ensure that the provided information and facts are correct, and that the opinions and expectations are reasonable, no liability or warranty as to the completeness, correctness, adequacy and/or accuracy of any forward-looking statements in this document is assumed.

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Imprint

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Quarterly Statement

Constantin Medien AG is an internationally operating media company based in Ismaning near Munich. The business operations include the Sports Segment with its subsidiaries Sport1 GmbH, Sport1 Media GmbH, Magic Sports Media GmbH, PLAZAMEDIA GmbH and LEITMOTIF Creators GmbH. Until June 12, 2017, its portfolio also encompassed the Film and Sports- and Event-Marketing Segments, through the majority holding in Highlight Communications AG, Pratteln/Switzerland.

1. Financial performance indicators

With regard to uniformity in the Constantin Medien Group, sales and earnings attributable to shareholders will be used as the key performance indicators for the 2018 financial year. In addition, the non-relevant key figure of net liquidity respectively net debt (cash and cash equivalents less financial liabilities) is determined. To control and manage the Sports Segment, the non-relevant key figure operating result (EBIT) is calculated on a regular basis. Constantin Medien AG is controlled according to the annual result.

2. Business performance in the first quarter 2018

2.1 Overall view

- **Sales, operating result (EBIT) and earnings attributable to shareholders** declined compared to the same period of the previous year due to the deconsolidation of Highlight Communications AG as of June 12, 2017, as well as the operating business development in the Sports Segment, which was characterized by, amongst others, the discontinuation of sales from the terminated production framework agreement between PLAZAMEDIA GmbH and Sky Deutschland Fernsehen GmbH & Co. KG. as of June 30, 2017. EBIT and earnings attributable to shareholders nonetheless above expectations. Based on current estimates and the development of the sports companies in the Segment Sports, the Management Board of Constantin Medien AG confirms its present Group forecast for the 2018 financial year, anticipating Group sales of between EUR 110 million and EUR 130 million and a Group result attributable to shareholders of between EUR -1.5 million and EUR -4.5 million.
- **Sales** by 74.3% below Q1 2017, among others, due to the deconsolidation of Highlight Communications AG. In addition, sales in the Sports Segment were significantly below the prior-year period due to termination of the production framework agreement between PLAZAMEDIA GmbH and Sky Deutschland Fernsehen GmbH & Co. KG as of June 30, 2017.
- **Operating result (EBIT)** at EUR -2.7 million after EUR 0.7 million in Q1 2017. Decrease due in particular to the deconsolidation effect as well as lower sales in the Sports Segment, especially due to the termination of the production framework agreement between PLAZAMEDIA GmbH and Sky Deutschland TV GmbH & Co. KG as of June 30, 2017. The opposite effects were attributable particularly to an improved operating result for the holding company Constantin Medien AG compared with the same period last year, due to, among others, lower personnel costs, also because of the reduction of the Management Board from three to two Members.
- **Earnings attributable to shareholders** of EUR -4.8 million after EUR -3.1 million in the same quarter of the previous year, but above expectations for the first three months in 2018. Earnings attributable to shareholders are characterized in particular by the non-recurring effect of the reversal of deferred tax assets and, for the last time, by the 7% interest from the 2013/2018 corporate bond.
- **Full clearance of debts** secured due to repayment of the corporate bond, including interest in the amount of EUR 69.55 million.
- **Solid net liquidity** amounting to EUR 14.3 million creates new room for maneuver.

Constantin Medien Group | Business performance in EUR million

	1/1 to 3/31/2018	1/1 to 3/31/2017	Change	Change in %
Sales	28.5	111.1	-82.6	-74.3
Profit/loss from operations (EBIT)	-2.7	0.7	-3.4	> -100
Earnings attributable to shareholders	-4.8	-3.1	-1.7	-54.8

2.2 Operating and economic performance in the Sports Segment in the first quarter 2018

2.2.1 Sports Segment

- Further expansion of program portfolio for SPORT1 platforms – among others, with highlights of the 2nd German Soccer Bundesliga on Friday and Sunday nights as of the start of the second half of the 2017/18 season, the SheBelives Cup 2018 in women's soccer, the women's German Volleyball Bundesliga playoffs, the American Football German Championship of the German Football League (GFL), the NHL Global Series Challenge 2018 as well as eSports with the EA SPORTSTM FIFA 18 FUT Champions Cup Barcelona and the TAG Heuer Virtual Bundesliga (VBL).
- Important milestone within the 360° strategy: In January, SPORT1 launches its new video platform, which since then centrally pools the entire video and VoD offer.
- Social media engagement intensified: Since March 1, 2018, SPORT1 bundles its activities on external platforms in the newly-established unit New Platforms. In the social media area, SPORT1 reaches a new milestone in February with over 5 million fans on Facebook, Instagram, Twitter, YouTube i.a.
- Ratings highlights in free-TV particularly with new record at the World Darts Championship final on January 1, the knock-out games of Dortmund and Leipzig in the UEFA Europa League, Bundesliga formats such as "Der CHECK24 Doppelpass" or the boxing match of German World Champion Tyron Zeuge as part of the cooperation with boxing promoter Team Sauerland which started in 2018.
- Free-TV market shares in the target group of viewers overall (Z3+) with 0.7% on average and in the new core target group, newly-introduced in 2018, of men aged 14 to 59 years (M14-59, until 2017 M14-49) with 1.2% on average, below the level of the previous year's quarter (Q1 2016: 0.9% Z3+; 1.4% M14-59), mainly due to the omission of Bundesliga rights for Monday nights.

SPORT1 | Free-TV in % (Ø/reporting period)

	Q1 2018	Q1 2017	Change
Market share/Z3+	0.7	0.9	-22%
Market share/M14-59	1.2	1.4	-14%

Source: AGF/GfK Television Research (TV Scope), January 1 to March 31, 2017/2018, SPORT1 Media Research

- Pay-TV distribution continues at a high level as of March 31, 2018, reaching a total of 2.11 million SPORT1+ subscribers excluding those subscribers reached via Sky (end of Q1 2017: 2.15 million) and 1.49 million SPORT1 US subscribers (end of Q1 2016: 1.49 million).
- In the mobile area, page impressions (PIs) faintly decreased compared to the previous year's quarter, while visits slightly increased. Stable coverage especially triggered by reporting on national and international soccer competitions and leagues as well as the Winter Olympics and the European Handball Championship.
- Furthermore, coverage maintained in the first three months 2018 on a very good level thanks to continued further development and optimization of SPORT1 mobile offers.

SPORT1 | Mobile in EUR million (Ø/reporting period)

	Q1 2018	Q1 2017	Change
Page Impressions (PIs)	616.8	639.3	-4%
Visits	66.0	61.1	+8%

Source: IVW (Informationsgemeinschaft zur Feststellung der Verbreitung von Werbeträgern e.V., German Information Association for the Ascertainment of Distribution of Advertising Media e.V.), January to March 2017/2018; Mobile incl. MEW, SPORT1 News App, Video App, iM Football App, Darts App and SPORT1.fm App.

- In the online area, increase of PIs and slight decrease of Visits in the first quarter of 2018 compared to the previous year's period.
- Development continues to be influenced by ongoing shift in content use from online to mobile.

SPORT1 | Online in EUR million (Ø/reporting period)

	Q1 2018	Q1 2017	Change
Page Impressions (PIs)	95.9	92.4	+4%
Visits	15.1	16.6	-9%

Source: IVW (Informationsgemeinschaft zur Feststellung der Verbreitung von Werbeträgern e.V., German Information Association for the Ascertainment of Distribution of Advertising Media e.V.), January to March 2017/2018; Online incl. SPORT1.de; tv.sport1.de; video.sport1.de, bundesligamanager.sport1.de and SPORT1.fm.

- Video views on the SPORT1 YouTube channels heavily increase in the first quarter of 2018 compared to the previous year's quarter, in particular due to new channel management and further optimization of processes and structures on all SPORT1 social media platforms as well as expansion of video and especially live stream offers on YouTube.
- Video views on the SPORT1 platforms (excluding YouTube) increased as well compared to the first quarter 2017 due to product optimization and further development as well as new video rights.

SPORT1 | Video in EUR million (Ø/reporting period)

	Q1 2018	Q1 2017	Change
Video Views (SPORT1 platforms without YouTube Channels)	11.9*	9.8	–*
Video Views (SPORT1 YouTube Channels)	10.5	4.0	+162%

Sources: Video views SPORT1 platforms excluding YouTube: DoubleClick, January to March 2017, Google Analytics January to March 2018; Content Network Glomex and e-Player DAZN since February 2018; Livestream: DoubleClick, January to March 2018, Google Analytics, January to March 2018; YouTube Content Management System, January to March 2017/2018

*Since February 2018, data of the Content Network Glomex and the DAZN e-Player is integrated in the SPORT1 platforms as new sources. A direct comparison with the previous year's period is therefore not possible.

- PLAZAMEDIA takes over studio production of primetime format "ZWANZIG18" during the Winter Olympics for Discovery/Euro-sport, of personality show "Ringlstetter" for Bayerischer Rundfunk and talk format "Was nun, Herr Söder?" for ZDF, respectively including further production services.
- Production, amongst others, of the Virtual Bundesliga for Lagardère Plus and EA SPORTS respectively, social media livestreamings for DKB Handball-Bundesliga and Deutscher Ringer-Bund (German Wrestling Federation).
- Comprehensive serial production services in the context of the UEFA Champions League, the UEFA Europa League, the Bundesliga and 2nd Bundesliga for ZDF and SPORT1 as well as deployment and operation of the technical infrastructure and services for DAZN and the sports radio of Amazon Music.
- Realization of events in the event location "ziegelei101" for numerous renowned customers, especially from the automobile sector.
- **Sales decline** in the Sports Segment in Q1 2018 by 21.5 percent to EUR 28.5 million, in particular due to the termination of the framework production contract between PLAZAMEDIA and Sky.
- **Segment result** in Q1 2018 at EUR -1.8 million after EUR -0.2 million in the same period of the previous year, mainly due to lower sales revenues, though ahead of plan.

Sports Segment | Segment performance in EUR million

	1/1 to 3/31/2018	1/1 to 3/31/2017	Change	Change in %
Segment sales	28.5	36.3	-7.8	-21.5
Segment result	-1.8	-0.2	-1.6	>-100

2.2.2 Others

- Loss from operations of the holding company Constantin Medien AG (Other division) was at EUR -0.9 million in Q1 2018 and above the same period of the previous year (Q1 2017: EUR -1.3 million), mainly due to unscheduled reimbursements for court fees (EUR 0.3 million) and lower personnel costs (EUR 0.4 million), especially for Management Board salaries; this was offset by the increase in legal and consulting fees (EUR 0.2 million) due to the prosecution of potential claims against former bodies.

2.3 Financial result

- The financial result for Q1 2018 was EUR -1.3 million and was affected by the interest expense for the corporate bond 2013/18 of around EUR 1.2 million. Since the bond was repaid in full on April 23, 2018 – a total of EUR 69.55 million including interest – the financial result from Q2 2018 onward is expected to be positive for the first time in several years.

2.4 Taxes

- The tax result in Q1 2018 amounted to EUR -0.9 million. This was significantly influenced by the non-recurring release of deferred tax assets on loss carryforwards which ceased to apply due to the change of control at Constantin Medien AG due to the completion of the takeover bid by Highlight Communications AG and Studhalter Investment AG in the first quarter of 2018 (EUR 0.6 million).

2.5 Net liquidity and net debt

- On March 22, 2018, the Management Board with the approval of the Group Financing Special Committee of the Supervisory Board resolved to sell a total of 12,417,482 Highlight Communications AG shares at a price of 5.20 Euro per share with a total value of EUR 64.57 million to Highlight Event and Entertainment AG. The corresponding purchase agreement was signed by both parties on March 22, 2018. This ensured repayment of the outstanding 2013/2018 corporate bond. Interest of around EUR 4.55 million was paid from available liquidity. As a result, the Constantin Medien Group had a net liquidity instead of net debt as of March 31, 2018 after several years.

Net liquidity/net debt in EUR million

	3/31/2018	12/31/2017	Change	Change in %
Cash and cash equivalents	78.3	20.8	57.5	276.4
Current financial liabilities	64.0	63.9	0.1	0.2
Net liquidity/net debt	14.3	-43.1	57.4	133.2

3. Risks and opportunities report

- Detailed description of the risk management system and the risk and opportunity profile in chapters 7.2.1 and 7.3.1 in the combined Group management report and management report of the 2017 Annual Report of Constantin Medien AG.
- Detailed information on the individual risks and opportunities of Constantin Medien AG in chapters 7.2.1 and 7.3.1 in the combined Group management report and management report of the 2017 Annual Report of Constantin Medien AG.
- Description of the internal control and risk management system in relation to the consolidated accounting process in section 7.5 of the combined Group management and management report of the 2017 Annual Report of Constantin Medien AG.
- Significant changes compared to the risks and opportunities presented in the combined Group management report and management report of the 2017 Annual Report of Constantin Medien AG in the reporting period:

– Liquidity risks

Constantin Medien AG has sold 2,000,000 shares of Highlight Communications AG over-the-counter on April 19, 2018. The purchase price per share was set at 5.20 Euro and was within the valuation range of a valuation report prepared by a renowned corporate finance consulting firm. The proceeds respectively inflow of liquidity thus amounted to EUR 10.4 million. As a result,

Constantin Medien AG secures the Company's ongoing financings, including in particular the liquidity risks mentioned in the 2017 Annual Report. Following the sale, the company holds a further 6,182,518 shares in Highlight Communications AG, is debt-free in its balance sheet after repayment of the bond and has sufficient free liquidity reserves in the future.

Overall, the liquidity risk is now classified at the small level (previously going concern risk within the meaning of section 322 (2) sentence 3 HGB in accordance with the independent auditor's report for the 2017 annual financial statements).

4. Outlook

4.1 Priorities

- In the 2018 financial year, SPORT1 continues to focus on consistent multimedia content use, distribution and capitalization. Also in the future, the strengthening of its portfolio by acquiring attractive new rights, extending existing partnerships and developing new content co-operations and business areas, as well as exploiting and staging established program pillars across platforms are focal points. This includes soccer – especially with the Bundesliga and 2nd Bundesliga – ice hockey, motorsports, boxing, basketball, volleyball, darts and US sports.
- Against the background of the massively increasing digital and cross-platform use of media offers, in the 2018 financial year, Sport1 GmbH will further drive the digital diversification of the SPORT1 brand and at the same time create new content and marketing environments, such as with regard to Addressable TV. Priorities include the development of new mobile offers, the intensification of social media activities and the expansion of the video area via own apps, own video brand channels or the use of new social media video offers. In addition, the activities primarily include own offers and formats in the eSports area, which is growing rapidly in Germany as well.
- At PLAZAMEDIA, the compensation of the discontinued production framework agreement with Sky is the crucial challenge. Furthermore, the focus in 2018 continues to lie on the implementation of extensive and complex live sports productions and non-live formats, the development and further advancement of innovative production technologies, content management solutions and production technology content distribution. In the context of expanding the PLAZAMEDIA portfolio, priorities in the 2018 financial year will be alongside the traditional broadcasting activities, particularly the further advancement and the development of new digital production activities, products and services – in view of the increasing fragmentation of media distribution channels, e.g. specific OTT or OVP solutions. In this area, sales partnerships with various renowned partners are opening up access to new players and markets. In the 2018 financial year, it is the aim to expand existing business relationships based on the varied range of services, which has been significantly widened especially in the digital area, to add new business areas and customer groups and to create a considerably broader customer basis overall.

4.2 Financial targets

- Based on the current assessments and the development of the sports companies in the Sports Segment, the Management Board of Constantin Medien AG confirms its previous Group forecast for the 2018 financial year, anticipating Group sales of between EUR 110 million and EUR 130 million and a Group result attributable to shareholders of between EUR -1.5 million and EUR -4.5 million.

5. Events after the reporting period

- Constantin Medien AG has sold 2,000,000 shares of Highlight Communications AG over-the-counter on April 19, 2018. The purchase price per share was set at 5.20 Euro. The proceeds respectively liquidity inflow amount to EUR 10.4 million and lead to a corresponding improvement in net liquidity.
- On April 20, 2018, Sport1 GmbH has acquired platform-neutral audiovisual distribution rights to the premier German cup competition from the German Soccer Association (DFB) for the 2019/2020 through 2021/2022 seasons. From the first round through to the quarter-final there will be one top game, live on SPORT1 free-TV and on livestream at SPORT1.de. The comprehensive rights package for Germany also includes highlights on free-TV and SPORT1's digital platforms.
- On April 23, 2018, Constantin Medien AG repaid the outstanding corporate bond 2013/2018 plus interest in the amount of EUR 69.5 million on schedule. On April 23, 2018, the EUR 1 million of self-held bonds in the corporate bond 2013/2018 was transferred back to Constantin Medien AG. As a result, current liabilities and cash and cash equivalents are reduced.

Ismaning, May 23, 2018

Constantin Medien AG

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